



## Proposed Distribution of Low-Income Housing Tax Credits in the Twin Cities Metropolitan Area

- Minnesota Housing is proposing to change the distribution of Low-Income Housing Tax Credits to suballocators. These changes are based on updated data and will be effective beginning with state's allocation of 2016 credits.
- Comments on the proposed changes will be accepted until 4:30 p.m. CT on Friday, March 27 and may be directed to [mn.housing@state.mn.us](mailto:mn.housing@state.mn.us).
- With the release of new forecasts from the Metropolitan Council in May 2014, Minnesota Housing has reviewed the formula for distributing tax credits to sub-allocators.
- For 2016 and future tax credits, Minnesota Housing is proposing new distribution shares for sub-allocators based on five factors outlined in the Metropolitan Council's original 1991 distribution plan with updated data.
- Table 1 shows:
  - The current distribution – share of credits assigned to each jurisdiction after the non-profit set aside has been taken out
  - The proposed new distribution – share of credits assigned to each jurisdiction after the non-profit set aside has been taken out
  - The factors that go into the distribution calculation (each factor is equally weighted):
    - Share of households (Demographer's Office)
    - Share forecasted household growth (Met Council)
    - Share of employment (Dept. of Employment and Economic Development)
    - Share of forecasted employment growth (Met Council)
    - Share of severely cost burdened households (American Community Survey)

**Table 1: Tax Credit Shares and Factors Included in the Distribution Formula**

	Current Distribution	Proposed New Distribution	Share of Households (2013)	Share of Forecasted Household Growth (2010-2040)	Share of Employment (2013)	Share of Forecasted Employment Growth (2010-40)	Share of Severely Cost Burdened Renters (2011-2013)
Minneapolis	20.4%	16.5%	14.8%	10.0%	18.7%	13.3%	25.9%
St. Paul	15.2%	10.3%	9.9%	6.8%	10.8%	7.5%	16.6%
Dakota County	14.5%	12.5%	13.6%	15.0%	11.0%	13.6%	9.6%
Washington County	7.8%	7.0%	7.9%	12.1%	4.7%	6.3%	3.9%
Balance of Region	42.1%	53.6%	53.9%	56.1%	54.8%	59.3%	44.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%